

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE

TUESDAY, JUNE 2, 2009

AT 10:00 A.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT, 2000 POST ROAD

WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chairman, Joseph Cianciolo, at 10:08 a.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Joseph Cianciolo; James Forte.

COMMITTEE MEMBERS ABSENT: Russell Hahn; Joseph Larisa.

ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to

approve the Minutes of the Finance and Audit Committee Meeting of February 25, 2009 and the minutes of the Special Meetings of the Finance and Audit Committee on April 27, 2009 and May 5, 2009. The motion was passed unanimously.

2. Report from President and CEO:

Mr. Dillon reported that passenger numbers for the month of April were down 4% and down a total of 6.6% year to date. Mr. Dillon highlighted several interesting points: United Airlines reported an increase in passengers, largely due to an increase in the number of seats on their routes. Also, Northwest and Southwest Airlines both showed growth, which was a positive sign for the future. Mr. Dillon also gave a brief overview of trends regionally.

Mr. Dillon gave an overview of the EIS, focusing specifically on the proposed Alternative B4. Mr. Dillon briefly explained the benefits of this alternative over the other alternatives currently being studied, focusing specifically on the benefits to the local community. There was brief discussion of the timeline for the related projects and the funding mechanisms.

3. Action Items:

(a) Consideration of and Action Upon Approval of Professional Services Agreements for Airport Consulting Services.

Mr. Dillon gave an overview of the agreement, and explained the services included. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute Professional Services Agreements with initial terms of one-year with two additional one-year options at the sole discretion of RIAC for Airport Consulting Services with Ricondo & Associates, and Jacobs Consultancy.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) in February 2009 for Airport Consulting Services pursuant to RIAC's Procurement Rules and received four proposals on March 20, 2009; and

WHEREAS, it has been determined that there is a need for Airport Consulting Services including, but not limited to: Bond Feasibility reports, Passenger Facility Charge (PFC) applications, benefit cost analyses, parking analyses, airline negotiations and other projects; and

WHEREAS, a Selection Committee comprised of: Brian Schattle, Chief Financial Officer; Jason Doyle, Corporate Controller and Ann Clarke, Senior Vice President - Planning, Engineering and

Environmental was formed to evaluate and review the proposals based on the selection criteria; and

WHEREAS, based on these evaluations the Selection Committee recommends the following firms: (1) Ricondo & Associates, Inc. and (2) Jacobs Consultancy to perform Airport Consulting Services; and

WHEREAS, funding will be established on a task-by-task basis.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to execute Professional Services Agreements with initial terms of one-year with two additional one-year options at the sole discretion of RIAC for Airport Consulting Services with (1) Ricondo & Associates, Inc. and (2) Jacobs Consultancy, subject to Board approval.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Professional Services Agreement for Financial Advisory Services.

Mr. Dillon gave an overview of the agreement, including the types of services included in the agreement. The agreement will include a retainer in an amount not-to-exceed \$78,000 per year. The

recommendation is that the Committee authorize the President and CEO, or his designee, to execute a Professional Services Agreement for an initial term of one-year with two additional one-year options at the sole discretion of RIAC, for Financial Advisory Services with Fullerton and Friar, Inc.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) in February 2009 for Financial Advisory Services pursuant to RIAC's Procurement Rules and received three proposals on March 20, 2009; and

WHEREAS, it has been determined that there is a need for Financial Advisory Services; and

WHEREAS, a Selection Committee comprised of: Brian Schattle, Chief Financial Officer; Jason Doyle, Corporate Controller and Ann Clarke, Senior Vice President of Planning, Engineering and Environmental, was formed to evaluate and review the proposals based on the selection criteria; and

WHEREAS, based on these evaluations the Selection Committee unanimously recommends Fullerton and Friar, Inc. (Fullerton) to

perform Financial Advisory Services; and

WHEREAS, RIAC staff has negotiated a retainer relationship with Fullerton to perform Financial Advisory Services that will not exceed \$6,500 per month with reimbursement of “out of pocket” expenses; and

WHEREAS, for services directly related to the issuance of bonds and other financings, Fullerton will be paid \$1 per one thousand dollars of principal amount of bonds issued, with a minimum fee per issue of \$45,000; and

WHEREAS, funding for these services will be established on an annual basis as part of the Operating and Maintenance Budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to execute a Professional Services Agreement with an initial term of one-year with two additional one-year options at the sole discretion of RIAC, for Financial Advisory Services with Fullerton and Friar, Inc. with a retainer in an amount not-to-exceed \$78,000 per year, subject to Board approval.

The motion was passed unanimously.

(c) Consideration of and Action Upon Contract for Oracle Database Administration Services.

Mr. Dillon gave an overview of the contract. It was noted that this contract qualifies as a sole source procurement. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute a one-year contract with AST Corporation for Oracle Database Administration Services.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, AST Corporation (AST) has provided Oracle Database Administration (DBA) support for RIAC's Oracle 11i System since the existing system was established in 2007; and

WHEREAS, the continuance of a mechanism for ongoing DBA support is critical to system stability and provides access to Oracle E-Business Suite experts to maximize RIAC's investment; and

WHEREAS, under section 10.4.2.7 of RIAC's Procurement Rules specialized services for which there is only one documented accepted source, such as transactions involving unique professional services...e.g.,...repair/maintenance agreements with manufacturers... qualifies as a sole source procurement; and

WHEREAS, as the original architect of the 11i migration and subsequent database migration, AST is uniquely positioned to provide ongoing DBA services, thus RIAC staff has determined that a Sole Source Selection for this contract is appropriate; and

WHEREAS, RIAC staff have reviewed the proposed Scope of Services and negotiated a fee of \$72,520 for year one beginning August 1, 2009, \$73,500 for the first option year and \$75,950 for the second option year; and

WHEREAS, included in the proposed Fiscal Year 2010 Operating and Maintenance Budget is \$75,000 for these services.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to execute a one-year Contract with AST Corporation for Oracle Database Administration Services in the amount of \$72,520, with two additional one-year options in the amounts of \$73,500 and \$75,950, subject to Board approval.

The motion was passed unanimously.

4. Executive Session:

At approximately 10:23 a.m., a motion was made by Mr. Forte and

seconded by Mr. Cianciolo to go into Executive Session for the purposes of discussing the following items:

(a) Motion to approve the Minutes of the Executive Sessions held on February 25, 2009, April 27, 2009 and May 5, 2009 – R.I.G.L. § 42-46-5(a)(2) and (7).

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development) - R.I.G.L. § 42-46-5(a)(7).

(c) Working Session Related to Collective Bargaining - R.I.G.L. § 42-46-5(a)(2).

(d) Motion to Return to Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Joseph Cianciolo

James Forte

NAYS: None

ABSTAIN: None

5. Post Executive Session Actions and Announcements:

At approximately 10:58 a.m., a motion was made by Mr. Forte and seconded by Mr. Cianciolo to reconvene to the Open Session. The motion was passed unanimously.

(a) A motion was made by Mr. Forte and seconded by Mr. Cianciolo to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously:

**YEAS: Joseph Cianciolo
James Forte**

NAYS: None

ABSTAIN: None

(b) A motion was made in Executive Session to approve the minutes of the Executive Sessions held on February 25, 2009, April 27, 2009 and May 5, 2009, in accordance with R.I.G.L. § 42-46-4. The motion was passed unanimously.

6. Action Item:

(a) Consideration of and Action Upon Approval of the Fiscal Year

2010 Budget.

Mr. Schattle explained the budget process and gave a brief overview of the draft 2010 budget focusing on revenues and expenses. There was also discussion of costs associated with several capital projects.

A motion was made by Mr. Forte and seconded by Mr. Cianciolo to approve the FY 2010 budget, in substantially the form presented, subject to approval by the Board.

The motion was passed unanimously.

7. Future Meetings:

The next meeting date will be announced.

8. Adjournment:

Mr. Forte moved to adjourn at approximately 11:10 a.m. Mr. Cianciolo seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

**Joseph Cianciolo, Chairman
Finance and Audit Committee of
the Rhode Island Airport Corporation**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
FINANCE AND AUDIT COMMITTEE
JUNE 2, 2009**

Brian Schattle RIAC

Peter Frazier RIAC

Doug Dansereau RIAC

Robert Goff New England Parking

**The minutes of the Executive Session of the Finance and Audit
Committee Meeting of June 2, 2009 have been sealed in accordance**

with R.I.G.L. § 42-46-4.